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EXAMINER

SCHMUCKER, MICHAEL W

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte KENT SCHOEN

Appeal 2015-005831¹
Application 13/043,424²
Technology Center 3600

Before MICHAEL C. ASTORINO, NINA L. MEDLOCK, and
BRUCE T. WIEDER, *Administrative Patent Judges*.

MEDLOCK, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 1–9, 11–23, and 25–27. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our decision references Appellant's Appeal Brief ("App. Br.," filed February 5, 2015) and Reply Brief ("Reply Br.," filed May 18, 2015), and the Examiner's Answer ("Ans.," mailed April 9, 2015) and Final Office Action ("Final Act.," mailed November 7, 2014).

² Appellant identifies Facebook, Inc. as the real party in interest. App. Br. 2.

CLAIMED INVENTION

Appellant's claimed invention "relates generally to online advertising, and in particular to selecting social endorsement information to provide to a user of a social networking system in conjunction with an online advertisement" (Spec. ¶ 1).

Claims 1 and 23 are the independent claims on appeal. Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A computer-implemented method comprising:
 - receiving, by a computer, a request to display an advertisement with social endorsement information to a viewing user, wherein the viewing user is a user of a social networking system;
 - selecting an advertisement in response to the received request;
 - identifying, by the computer, one or more objects in the social networking system related to the selected advertisement;
 - identifying, by the computer, a plurality of candidate social endorsements associated with the selected advertisement, each candidate social endorsement comprising a description of an associated interaction between an identified object and one or more associated users who are connected to the viewing user in the social networking system;
 - selecting, by the computer, a candidate social endorsement from the plurality of candidate social endorsements; and
 - providing, by the computer, the selected advertisement and the selected candidate social endorsement for display to the viewing user.

REJECTIONS

Claims 1–9, 11–23, and 25–27 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

Claims 1–9, 11, 12, 14–18, 23, and 25–27 are rejected under 35 U.S.C. § 103(a) as unpatentable over Purvy et al. (US 2011/0258042 A1, pub. Oct. 20, 2011) (hereinafter “Purvy”) and Klish (US 2010/0223119 A1, pub. Sept. 2, 2010).

Claim 13 is rejected under 35 U.S.C. § 103(a) as unpatentable over Purvy, Klish, and Busch (US 2008/0248815 A1, pub. Oct. 9, 2008).

Claims 19–22 are rejected under 35 U.S.C. § 103(a) as unpatentable over Purvy, Klish, and Parsons et al. (US 2010/0070485 A1, pub. Mar. 18, 2010) (hereinafter “Parsons”).

ANALYSIS

Non-Statutory Subject Matter

Under 35 U.S.C. § 101, an invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. The Supreme Court, however, has long interpreted § 101 to include an implicit exception: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *See, e.g., Alice Corp. Pty Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

The Supreme Court, in *Alice*, reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1300 (2012), “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice Corp.*, 134 S. Ct. at 2355. The first step in that analysis is to “determine whether the claims at

issue are directed to one of those patent-ineligible concepts,” *id.*, e.g., to an abstract idea. If the claims are not directed to a patent-ineligible concept, the inquiry ends. Otherwise, the inquiry proceeds to the second step where the elements of the claims are considered “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Alice Corp.*, 134 S. Ct. at 2355 (quoting *Mayo*, 132 S. Ct. at 1297).

The Court acknowledged in *Mayo*, that “all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.” *Mayo*, 132 S. Ct. at 1293. We, therefore, look to whether the claims focus on a specific means or method that improves the relevant technology or are instead directed to a result or effect that itself is the abstract idea and merely invoke generic processes and machinery. *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016).

Appellant argues here that the § 101 rejection cannot be sustained because the Examiner has failed to provide “substantial evidence” to support a finding that the pending claims are directed to an abstract idea (App. Br. 12–15). Appellant asserts that the Supreme Court made clear, in *Bilski*³ and *Alice*, that “specific references must be cited to support a finding that an alleged abstract idea is both 1) **long prevalent** in the field (i.e., widely used), and 2) **long known** in the field” (*id.* at 15), and that the Board has adopted this same standard (*id.* (citing *PNC Bank v. Secure Access*, CBM2014-00100, 2014 WL 4537440 (PTAB September 9, 2014))). Appellant, thus, ostensibly maintains that because the Examiner fails to cite any supporting

³ *Bilski v. Kappos*, 130 S. Ct. 3218 (2010)

references, the Examiner has failed to establish a prima facie case of unpatentability (*id.* at 14–15).

As an initial matter, we find nothing in *Bilski* and *Alice* that requires the Office to identify specific references to support a finding that a claim is directed to an abstract idea. Nor, contrary to Appellant’s assertion, did this Board hold, in *PNC Bank v. Secure Access*, that there is any such requirement.

The Federal Circuit has repeatedly noted that “the prima facie case is merely a procedural device that enables an appropriate shift of the burden of production.” *Hyatt v. Dudas*, 492 F.3d 1365, 1369 (Fed. Cir. 2007) (citing *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992)). The court has, thus, held that the USPTO carries its procedural burden when its rejection satisfies the requirements of 35 U.S.C. § 132 by notifying the applicant of the reasons for rejection, “together with such information and references as may be useful in judging of the propriety of continuing the prosecution of [the] application.” *See In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011). Thus, all that is required of the Office is that it set forth the statutory basis of the rejection, and the reference or references relied on, in a sufficiently articulate and informative manner as to meet the notice requirement of § 132. *Id.*; *see also Chester v. Miller*, 906 F.2d 1574, 1578 (Fed. Cir. 1990) (Section 132 “is violated when a rejection is so uninformative that it prevents the applicant from recognizing and seeking to counter the grounds for rejection.”).

Here, in rejecting the pending claims under § 101, the Examiner analyzed the claims using the *Mayo* two-step framework, in accordance with the guidance set forth in the PTO’s June 25, 2014 “Preliminary Examination

Instructions in view of the Supreme Court Decision in *Alice Corporation Pty. Ltd. v. CLS Bank International, et al.*” Specifically, the Examiner notified Appellant that the claims are directed to “the concept of identifying ads/endorsements to be presented to users based upon interaction of other users,” i.e., to a fundamental economic practice, and therefore, to an abstract idea (Final Act. 3). The Examiner further found that “[t]he claims do not recite limitations that are ‘significantly more’ than the abstract idea because the claims do not recite an improvement to another technology or technical field, an improvement to the functioning of the computer itself, or meaningful limitations beyond generally linking the use of an abstract idea to a particular technological environment” (*id.*). And the Examiner additionally noted that “the [claim] limitations . . . are performed by the generically recited computer/processor” and the limitations are “merely instructions to implement the abstract idea on a computer and require no more than a generic computer to perform generic computer functions that are well-understood, routine and conventional activities previously known to the industry” (*id.* at 3–4). The Examiner, thus, notified Appellant of the reasons for the rejection “together with such information and references as may be useful in judging of the propriety of continuing the prosecution of [the] application.” 35 U.S.C. § 132. The burden then shifted to Appellant to explain why the claims are patent-eligible.

Turning to the second step of the *Alice* framework, and specifically referring to claim 1, Appellant asserts that even if claim 1 is directed to an abstract idea, claim 1 recites “specific inventive concepts that are not found in the prior art,” and “[t]herefore, by definition[,] claim 1 recites an inventive concept that is sufficient to transform the allegedly claimed

abstract idea into a patent-eligible application” (App. Br. 15–16). Yet to the extent Appellant argues that the claims necessarily contain an “inventive concept” based on their alleged novelty and non-obviousness over the cited references (*id.* at 16), Appellant misapprehends the controlling precedent. Although the second step in the *Alice/Mayo* framework is termed a search for an “inventive concept,” the analysis is not an evaluation of novelty or non-obviousness, but rather, a search for “an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Alice*, 134 S. Ct. at 2355. A novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 132 S. Ct. at 1304.

Rather than reciting additional elements that amount to “significantly more” than the abstract idea, the pending claims, at best, “add” only a “computer,” i.e., a generic component (*see* Spec. ¶ 48 (describing that the apparatus for performing the disclosed operation may comprise “a general-purpose computing device selectively activated or reconfigured by a computer program stored in the computer”))), which does not satisfy the inventive concept. *See, e.g., DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014) (internal quotation marks omitted) (“[A]fter *Alice*, there can remain no doubt: recitation of generic computer limitations does not make an otherwise ineligible claim patent-eligible. The bare fact that a computer exists in the physical rather than purely conceptual realm is beside the point.”)

We are not persuaded that the Examiner erred in rejecting claims 1–9, 11–23, and 25–27 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection.

Obviousness

Independent Claims 1 and 23 and Dependent Claims 2–9, 11, 12, 14–18, and 25–27

We are persuaded by Appellant’s argument that the Examiner erred in rejecting independent claims 1 and 23 under 35 U.S.C. § 103(a) because Purvy, on which the Examiner relies, does not disclose or suggest

identifying . . . a plurality of candidate social endorsements associated with [a] selected advertisement, each candidate social endorsement comprising a description of an associated interaction between an identified object [related to the selected advertisement] and one or more associated users who are connected to the viewing user in the social networking system and “selecting . . . a candidate social endorsement from the plurality of candidate social endorsements,” as recited in independent claim 1, and similarly recited in independent claim 23 (App. Br. 7–9).

Purvy is directed to a method and system for providing advertisements (Purvy, Abstract), and discloses that when a user initiates a search query, an endorsement system identifies the search results and also identifies eligible advertisements that are responsive to the search query (*id.* ¶ 24). Purvy discloses that if more than one advertisement is identified by the endorsement system, the system ranks the advertisements according to a score calculated based on signals associated with each advertisement (*id.* ¶ 34). These signals may be based, for example, on (1) whether the goods or services described in advertisement were endorsed; (2) whether the endorser was recommended by someone in the same social network as the person who performed the search query; (3) whether the advertisement itself or the advertiser associated with the advertisement was endorsed; or (4) whether the endorser was recommended by someone having an acquaintance

relationship in the same social network as the person who performed the search query (*id.*).

The Examiner cites paragraphs 24–26, 29, 35–40, and 54 of Purvy as disclosing the argued limitations (Final Act. 11–12). However, we agree with Appellant that there is nothing in the cited portions of Purvy that discloses or suggests “identifying . . . a plurality of candidate social endorsements associated with the selected advertisement” and “selecting . . . a candidate social endorsement from the plurality of candidate social endorsements,” as recited in claim 1, and similarly recited in claim 23. Rather than “identifying a plurality of social endorsements associated with the selected advertisement,” i.e., an advertisement that has already been selected, and then “selecting a candidate social endorsement from the plurality of social endorsements,” Purvy discloses identifying a plurality of candidate advertisements, some or all of which have already been endorsed, and then selecting an advertisement from the plurality of advertisements.

Responding to Appellant’s argument, the Examiner asserts that Purvy teaches selecting an advertisement and then selecting an appropriate endorsement, as called for in the claims, in at least paragraphs 34 and 52 and Figure 5 (Ans. 3–5). However, we agree with Appellant that there is nothing in either of paragraphs 34 and 52 that discloses or suggests the argued limitations (Reply Br. 2–3). Nor is there any such disclosure or suggestion in Purvy’s Figure 5 (*id.* at 3).

Paragraph 34 merely discloses that if multiple advertisements are identified in response to a search query, the advertisements are ranked according to a score calculated based on signals associated with each advertisements, e.g., whether the advertisement itself was endorsed. And

paragraph 52 simply discloses “select[ing], for presentation, advertisements having characteristics matching the characteristics of advertisements slots” and that “data representing each endorsement associated with an advertisement as well as the data representing users who have recommended the endorsers associated with each endorsement” can be stored in a historical data store. Figure 5 merely discloses the ranking and selection process described in paragraph 34.

In view of the foregoing, we do not sustain the Examiner’s rejection of independent claims 1 and 23 under 35 U.S.C. § 103(a). For the same reasons, we also do not sustain the rejection of dependent claims 2–9, 11, 12, 14–18, and 25–27. *Cf. In re Fritch*, 972 F.2d 1260, 1266 (Fed. Cir. 1992) (“dependent claims are nonobvious if the independent claims from which they depend are nonobvious”).

Dependent Claims 13 and 19–22

Each of claims 13 and 19–22 depends, directly or indirectly, from independent claim 1. The Examiner’s rejections of these dependent claims do not cure the deficiency in the Examiner’s rejection of independent claim 1. Therefore, we do not sustain the Examiner’s rejections of dependent claims 13 and 19–22 under 35 U.S.C. § 103(a) for the same reasons set forth above with respect to claim 1.

DECISION

The Examiner’s rejection of claims 1–9, 11–23, and 25–27 under 35 U.S.C. § 101 is affirmed.

The Examiner’s rejections of claims 1–9, 11–23, and 25–27 under 35 U.S.C. § 103(a) are reversed.

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No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED